

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Lowell Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 11, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments will be made on July 1 of each fiscal year. The schedule is effective in FY18 (since the FY18 appropriation was maintained from the prior schedule) and is acceptable under Chapter 32.

The schedule reflects a reduction in the investment return assumption from 8.0% to 7.75%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

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SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.2 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Total Normal Cost	Employee Contributions	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amortization Payment of ERI 2003	Total Employer Cost	Unfunded Actuarial Accrued Liability
2018	\$15,884,063	\$8,816,692	\$7,067,371	\$18,552,825	\$0	\$521,535	\$26,141,731	\$269,764,647
2019	16,440,004	9,186,389	7,253,615	19,673,667	-	521,536	27,448,818	270,871,707
2020	17,015,405	9,571,164	7,444,241	20,855,481	-	521,537	28,821,259	270,901,099
2021	17,610,944	9,971,621	7,639,323	22,520,825	-	-	30,160,148	269,706,013
2022	18,227,327	10,388,385	7,838,942	23,421,659	-	-	31,260,601	267,231,006
2023	18,865,284	10,822,107	8,043,177	24,358,525	-	-	32,401,702	263,629,095
2024	19,525,569	11,273,464	8,252,105	25,332,866	-	-	33,584,971	258,775,544
2025	20,208,963	11,743,159	8,465,804	26,346,180	-	-	34,811,984	252,534,451
2026	20,916,277	12,231,922	8,684,355	27,400,027	-	-	36,084,382	244,757,825
2027	21,648,346	12,740,514	8,907,832	28,496,029	-	-	37,403,861	235,284,590
2028	22,406,039	13,269,723	9,136,316	29,635,869	-	-	38,772,185	223,939,499
2029	23,190,250	13,820,368	9,369,882	30,821,303	-	-	40,191,185	210,531,978
2030	24,001,910	14,393,305	9,608,605	32,054,156	-	-	41,662,761	194,854,862
2031	24,841,976	14,989,416	9,852,560	33,336,322	-	-	43,188,882	176,683,036
2032	25,711,445	15,609,623	10,101,822	34,669,775	-	-	44,771,597	155,771,969
2033	26,611,346	16,254,884	10,356,462	36,056,567	-	-	46,413,029	131,856,135
2034	27,542,743	16,926,190	10,616,553	37,498,829	-	-	48,115,382	104,647,297
2035	28,506,739	17,624,576	10,882,163	38,998,782	-	-	49,880,945	73,832,666
2036	29,504,475	18,351,115	11,153,360	40,558,734	-	-	51,712,094	39,072,909
2037	30,537,131	19,106,920	11,430,211	-	-	-	11,430,211	-
2038	31,605,930	19,893,153	11,712,777	-	-	-	11,712,777	-
2039	32,712,138	20,711,015	12,001,123	-	-	-	12,001,123	-
2040	33,857,063	21,561,758	12,295,305	-	-	-	12,295,305	-
2041	35,042,060	22,316,419	12,725,641	-	-	-	12,725,641	-
2042	36,268,533	23,097,494	13,171,039	-	-	-	13,171,039	-
2043	37,537,932	23,905,907	13,632,025	-	-	-	13,632,025	-
2044	38,851,759	24,742,613	14,109,146	-	-	-	14,109,146	-
2045	40,211,571	25,608,605	14,602,966	-	-	-	14,602,966	-
2046	41,618,975	26,504,906	15,114,069	-	-	-	15,114,069	-
2047	43,075,640	27,432,577	15,643,063	-	-	-	15,643,063	-

Lowell Contributory Retirement System
Actuarial Valuation as of January 1, 2017